Policy Voice full survey results July 2026

- Regulatory burden
- Zero and low hours contracts
- Economic confidence

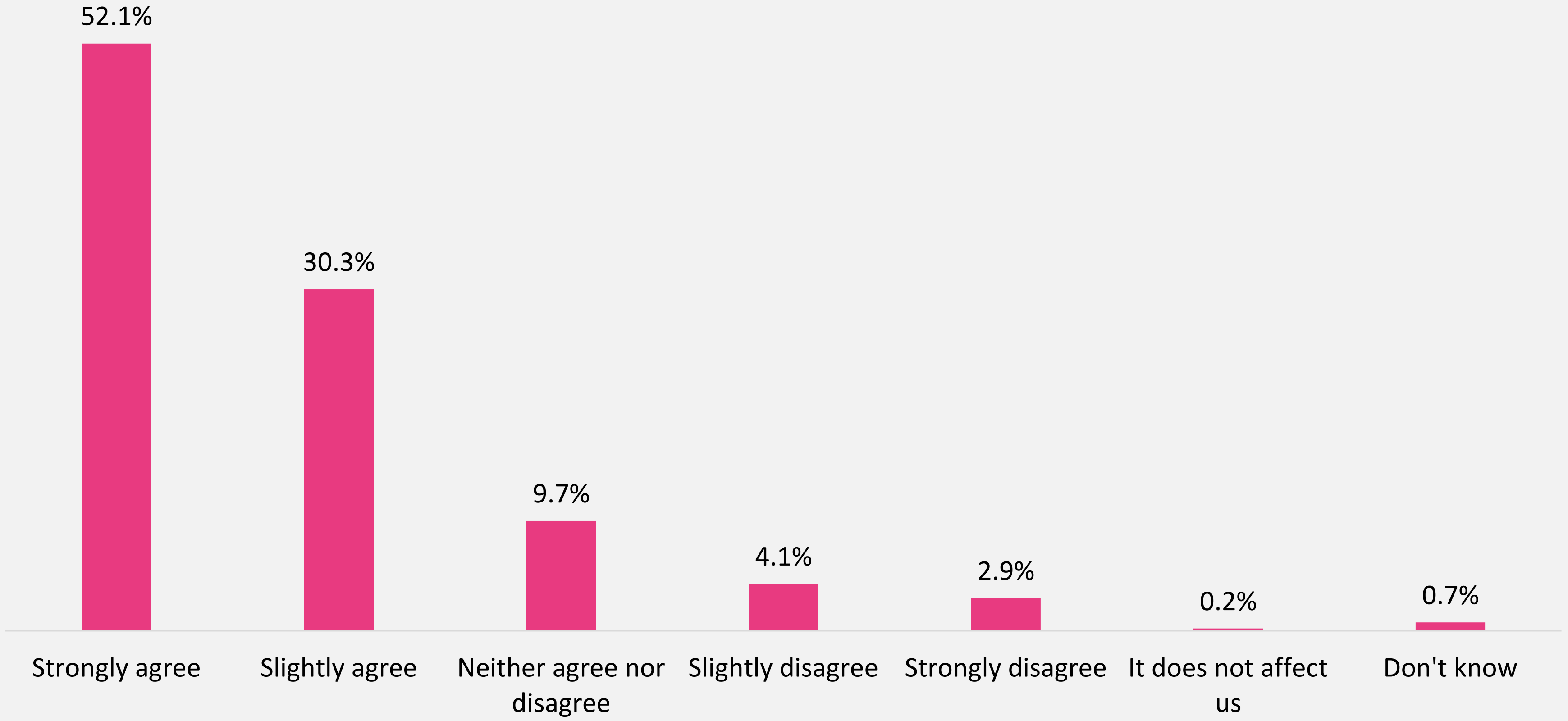
Number of respondents: 555
Survey Dates: 10-29 July 2026

Addressing the regulatory burden

As part of its Regulation Action Plan, the Government has a target to reduce the administrative burden of regulation on business by 25% by the end of this Parliament. Its commitments include speeding up the delivery of infrastructure projects, digitising administrative processes, and simplifying reporting requirements.

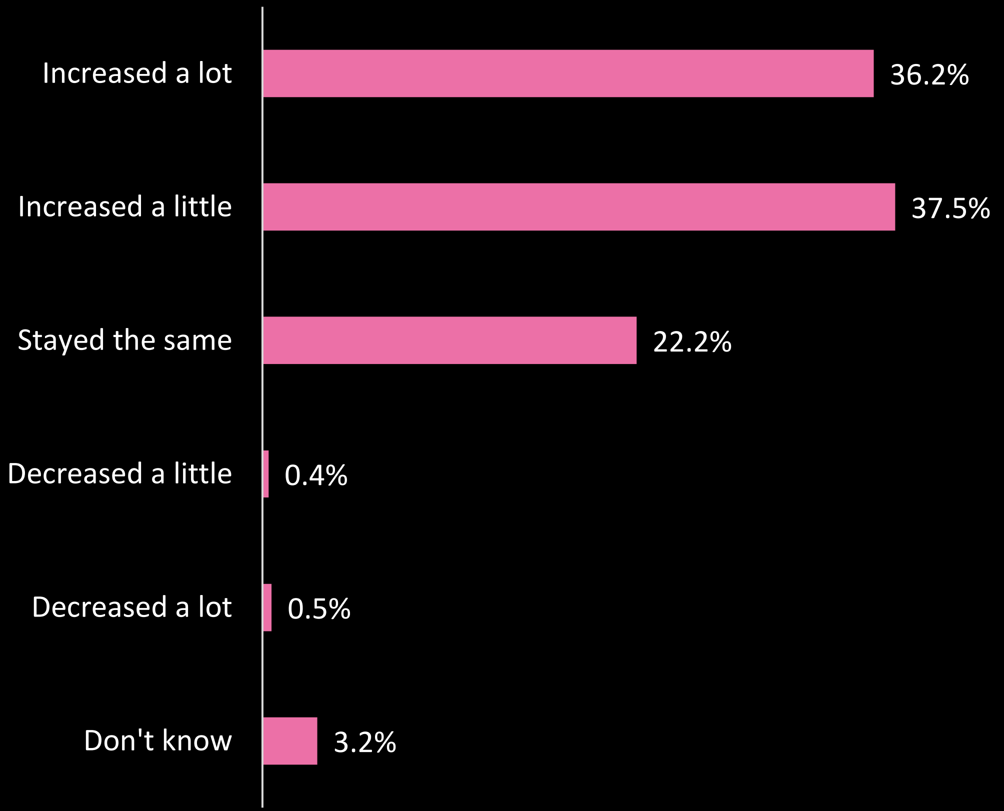
UK regulation is seen by IoD members as an obstacle to business success

To what extent do you agree or disagree that the overall level of regulation in the UK is an obstacle to your business' success?



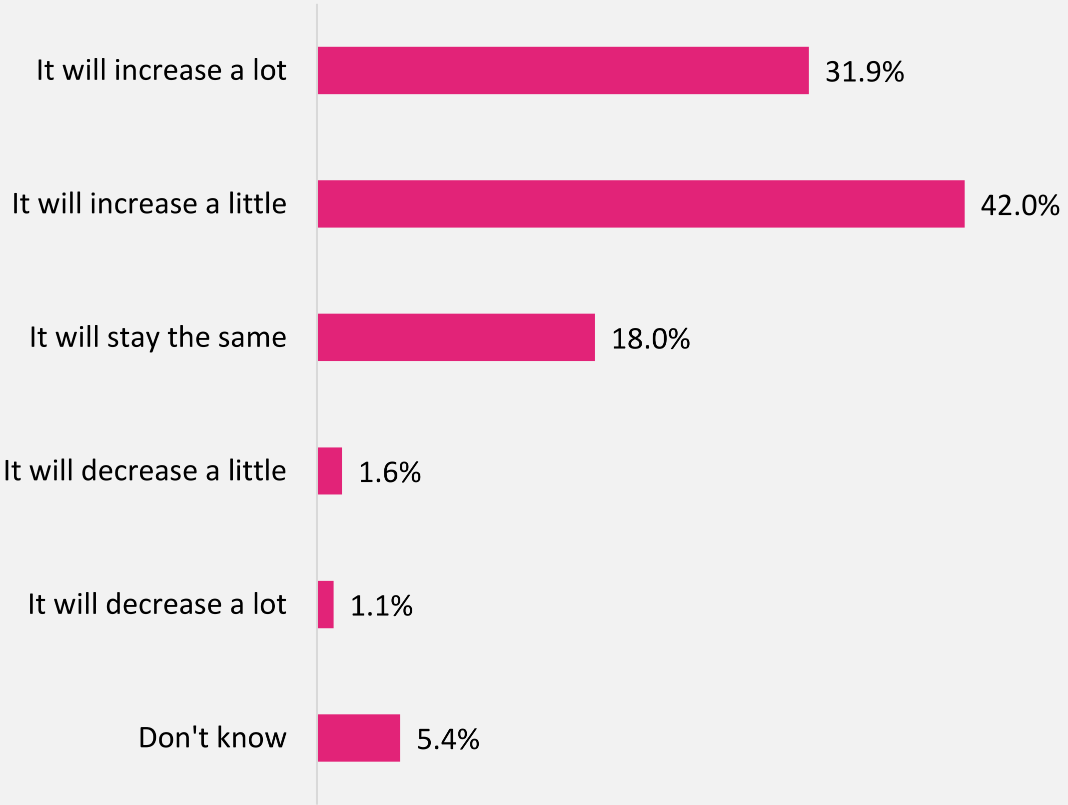
Most IoD members report higher compliance costs

How has the cost of your compliance with regulation changed over the past 12 months?



Firms expect compliance costs to rise

Over the next 12 months, how do you think that the cost of compliance with regulation will change?



Consultation on zero and low hours contracts

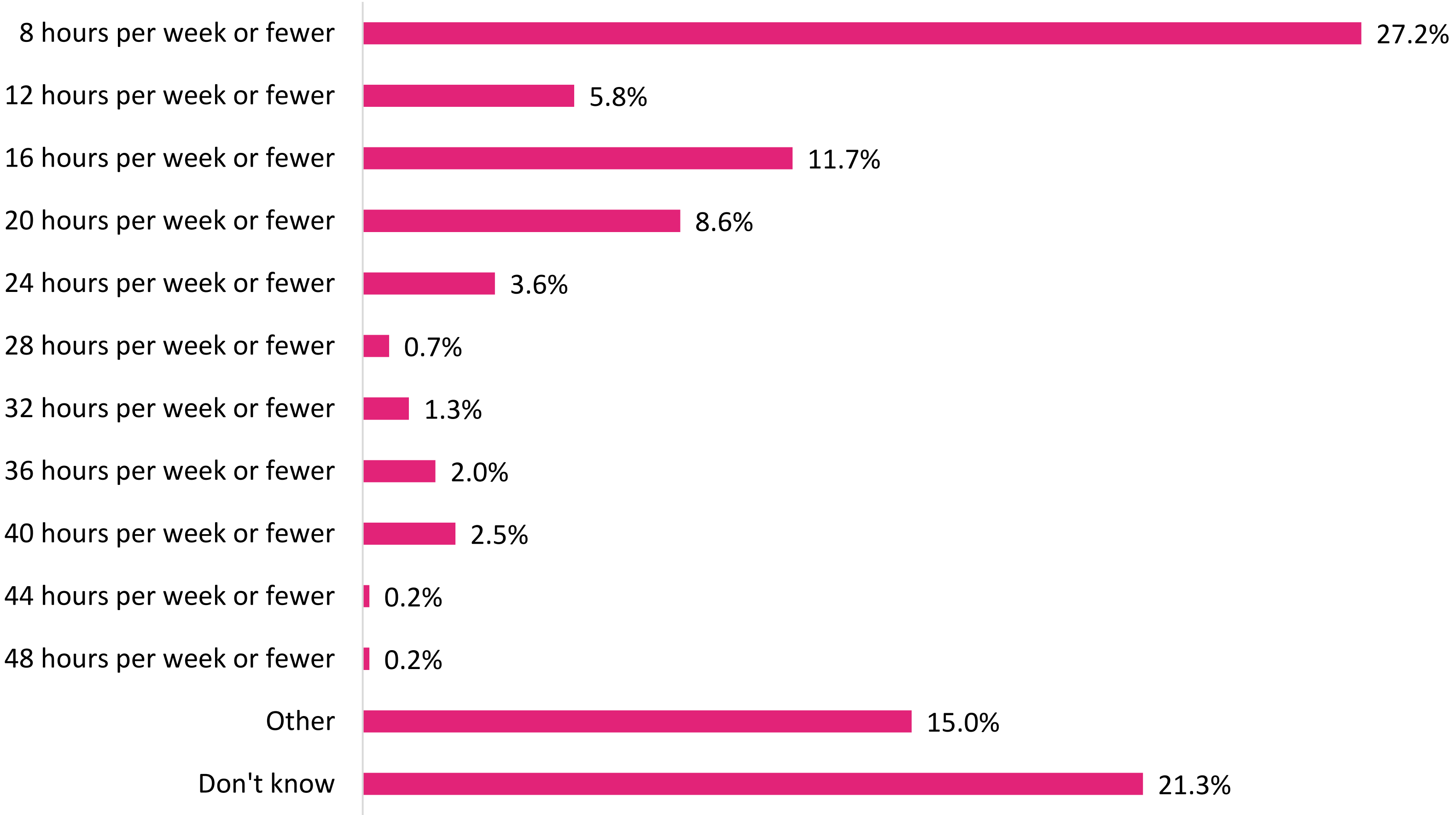
The Employment Right Act introduces a requirement for employers to offer guaranteed hours to qualifying workers on zero hours contracts and certain contracts with low guaranteed hours.

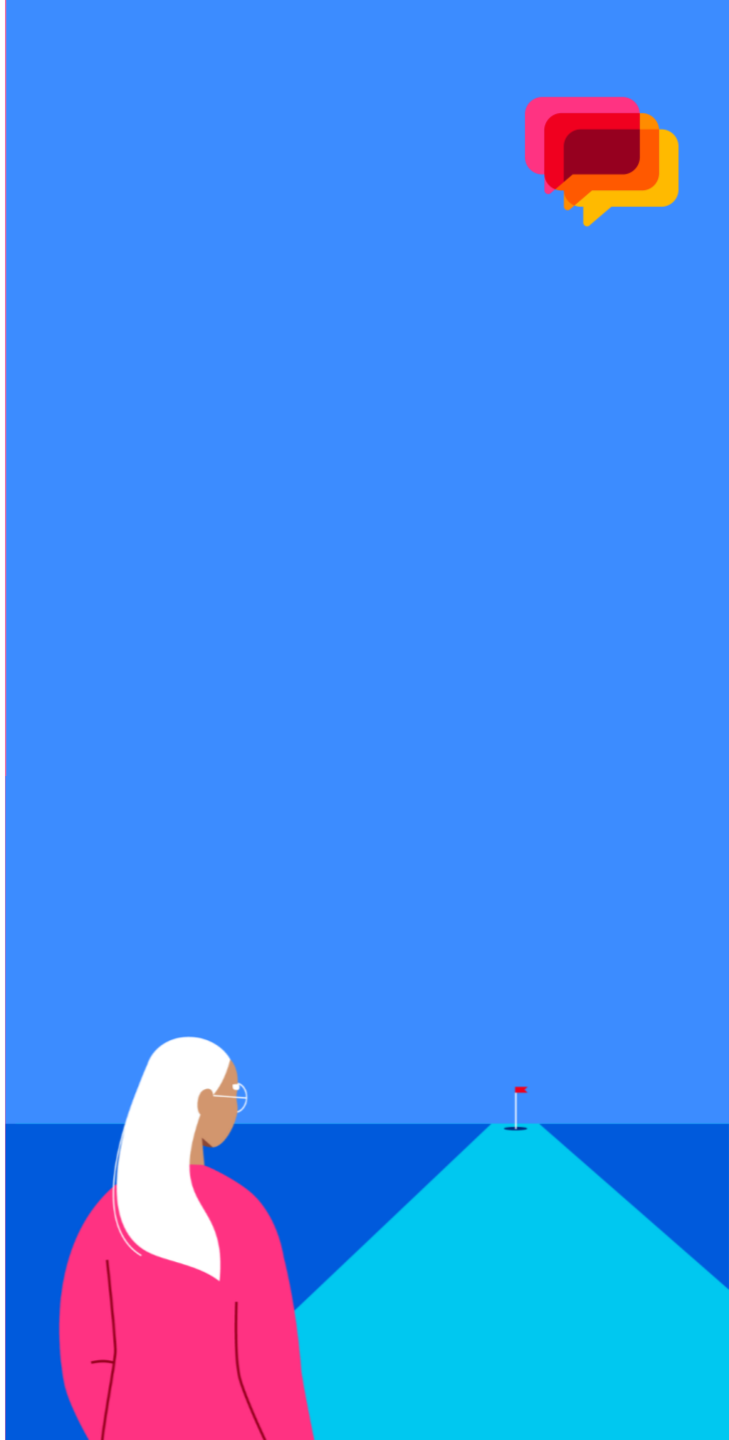
The government is consulting on the number of guaranteed hours that should bring a worker within scope of this requirement (the "hours threshold").

A worker may decline a guaranteed hours offer and remain on their existing contract.

IoD members favour a lower hours threshold

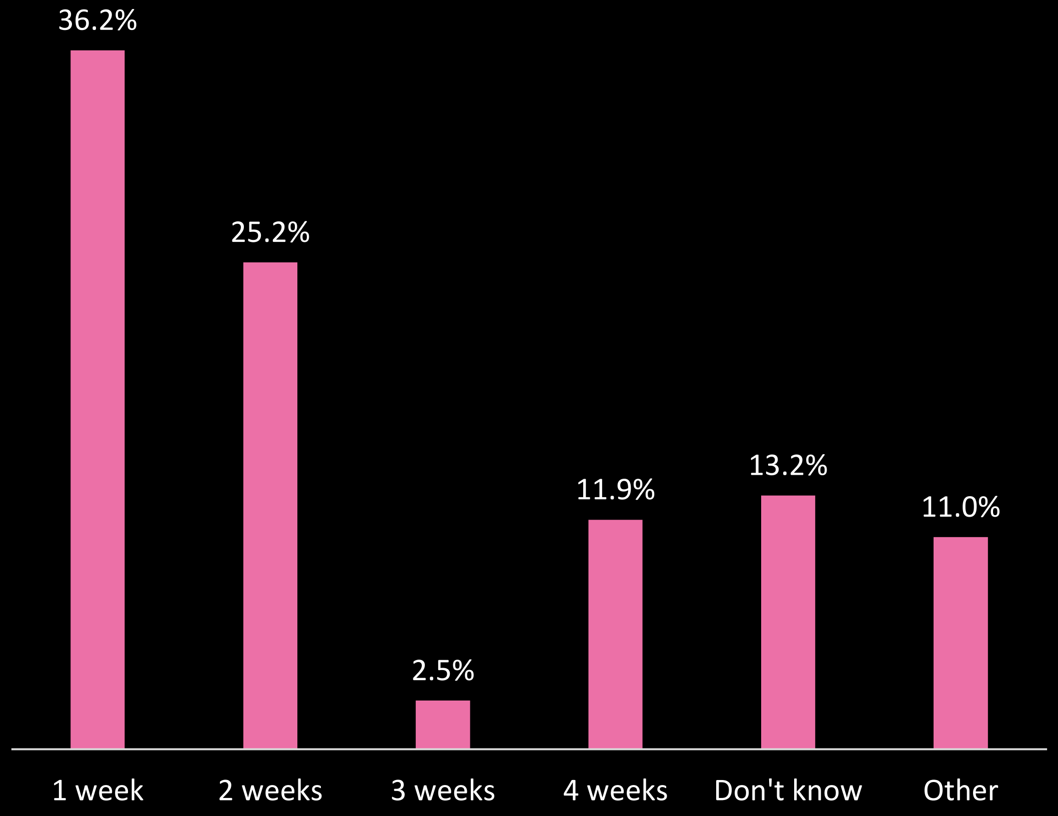
What do you think the hours threshold should be?





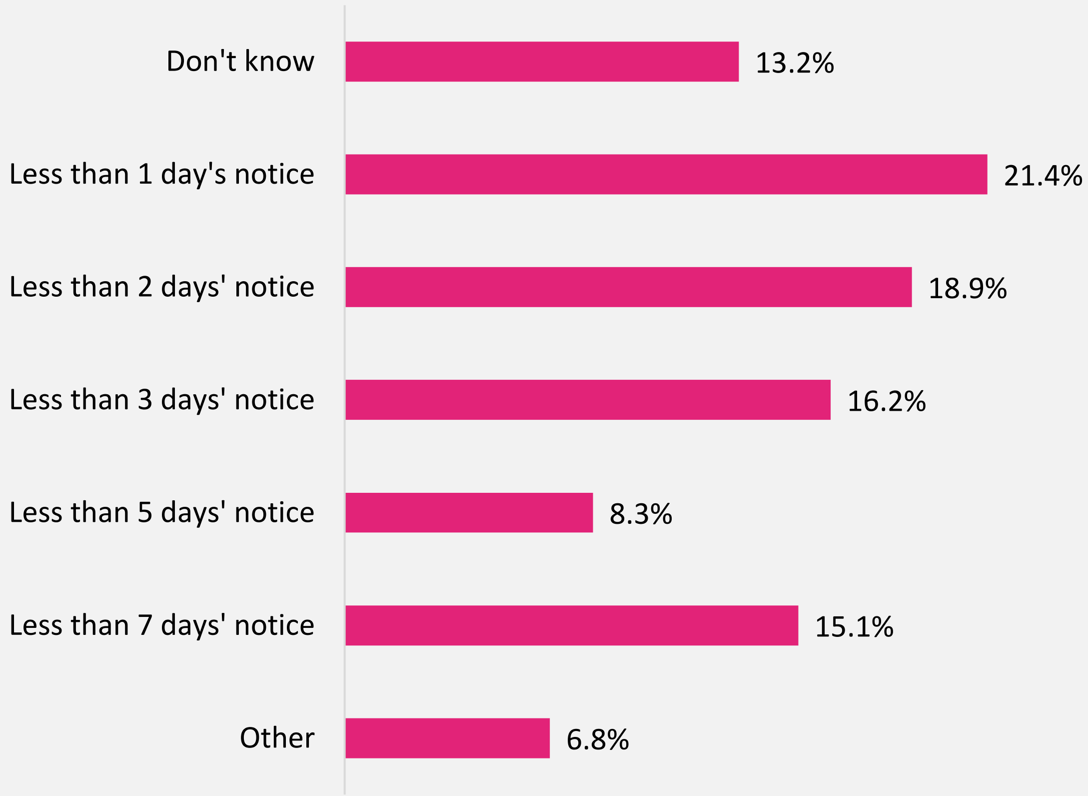
Shorter notice periods are preferred by IoD members

How much notice of shifts and changes to shifts should be presumed reasonable?



Firms define short notice as 3 days or fewer

What timeframe do you think should be considered short notice when triggering such a payment?



Responses to the questions on the implementation of guaranteed hours and shift notice regulations reflected a desire for government to take a pragmatic approach which reflects the value to both employees and employers of flexible working arrangements, and the importance of employers being able to respond to fluctuations in demand.

A common theme in the responses was a belief that any one-size-fits-all approach would inevitably entail an oversimplification of labour market dynamics:

"It depends on the type and scope of the business and employee. These 'one size' answers help no one" (250+ employees, Financial and insurance activities, London)

"The problem here is a one-size fits all approach to an issue that only affects a minority" (2-9 employees, Information services activities, South West England)

"Obviously where unscrupulous employers exploit workers that must be sanctioned, but poor catch all legislation impedes innovation and enterprise." (2-9 employees, Information service activities, East of England)

Some members emphasised the damaging impact that the guaranteed hours regulations will have on employers' ability to respond to shifting demand:

"This is going to cause so many issues in many of the response and transport fulfilment sectors as demands can ebb and flow daily and weekly, some areas are very unpredictable" (2-9 employees, Professional, scientific and technical activities, East Midlands)

"These changes are going to be very costly and challenging to implement for domiciliary care providers who frequently have clients passing away, entering and exiting hospitals, etc. Caring for vulnerable people is a very dynamic service to operate" (100-249 employees, Human health and social work activities, East of England)

"We use people on zero hours as we get containers coming in that need to be unloaded. Some weeks we have three, others none. We have a pool of people of people and those free come and help us. These regulations are stopping us expanding and means we have to increase prices." (2-9 employees, Wholesale and retail trade, South West England)

Other respondents described how the regulations will undermine employers' ability to offer flexible contracts in high demand among employees:

"There is an assumption that these contracts are not in the interests of the employee. I've used low and zero hours contracts and have found the employee really wants the flexibility to work or not work, it's genuinely mutual." (100-249 employees, Information service activities, South East England)

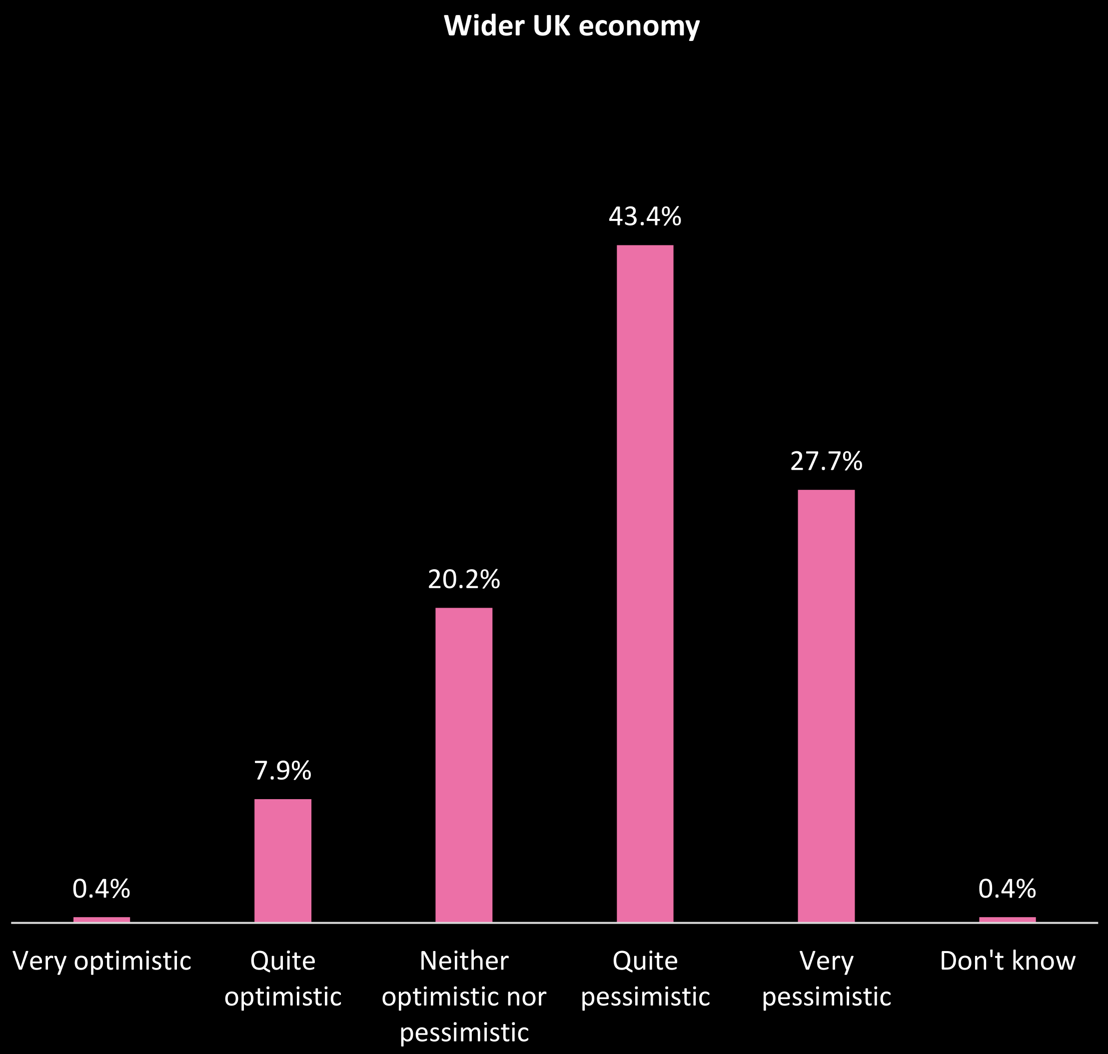
"It's a bad policy, will worsen youth unemployment, reduce employee flexibility and lead to lower employment rates and tax revenues." (2-9 employees, Other services, South East England)

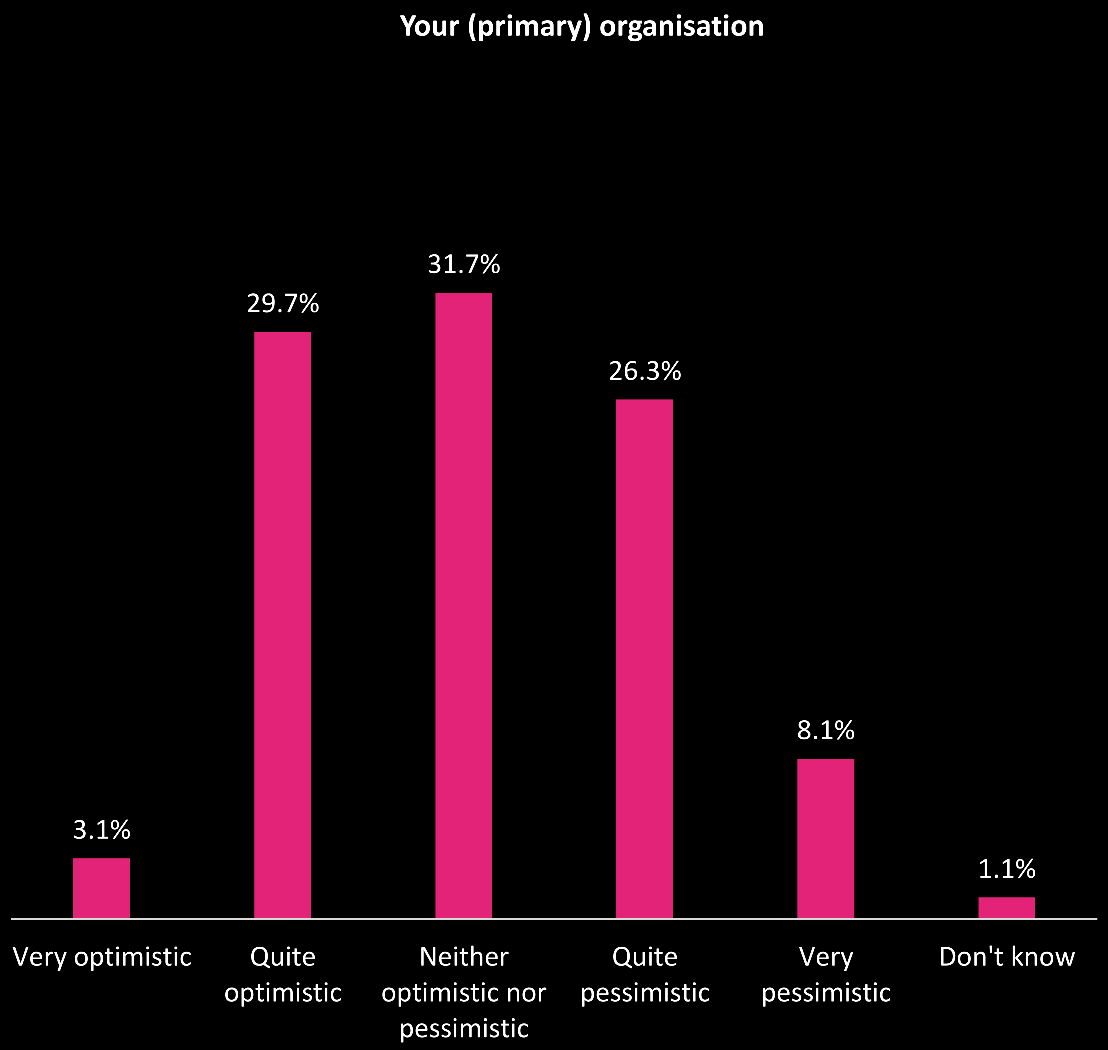
Economic Monitoring: data

The following data contributed to our Director's Economic Confidence Index, which we send directly into the heart of government each month.

This data is widely reported in the national media.

How optimistic are you about both the wider UK economy and also your organisation over the next 12 months?



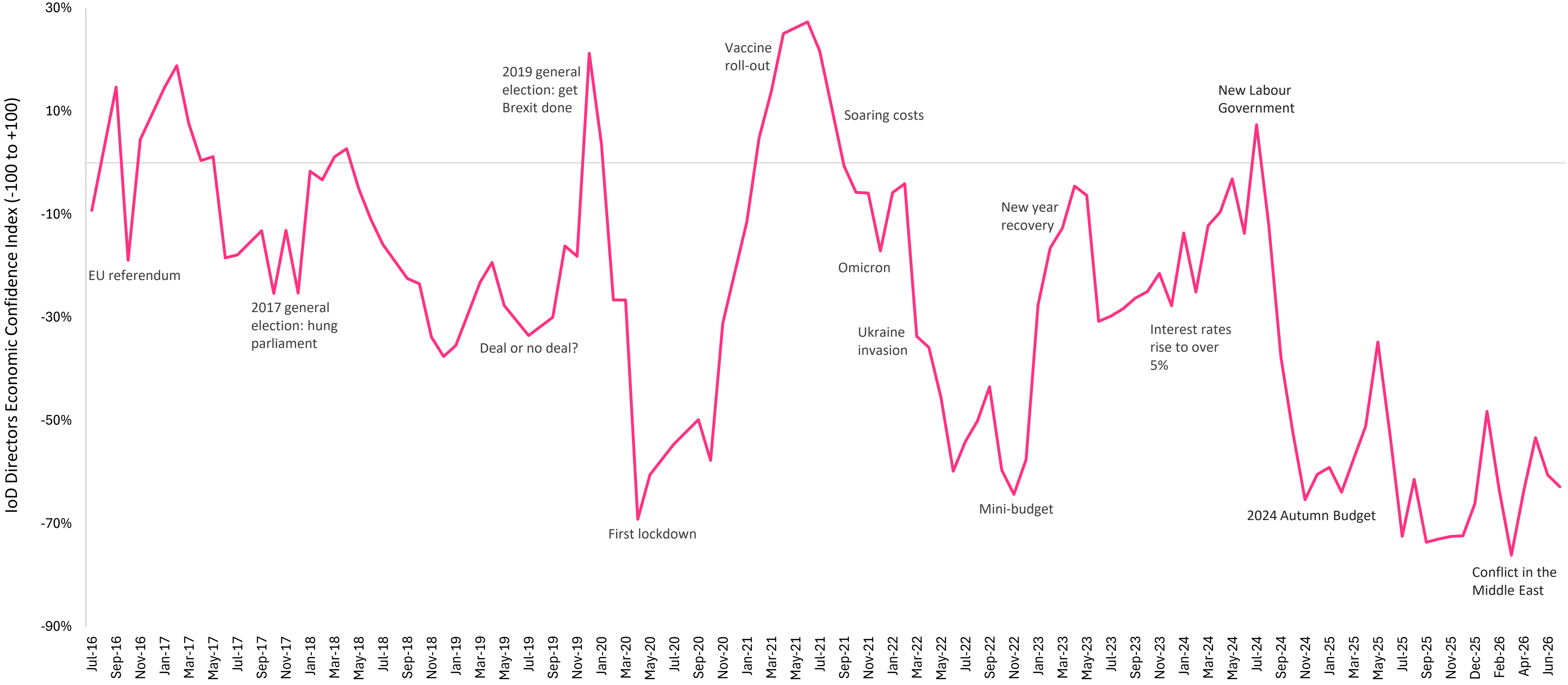


Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of:

	Much higher	Somewhat higher	No change	Somewhat lower	Much lower	N/A	Don’t know
Business investment	2.5%	21.8%	36.6%	22.2%	15.3%	1.1%	0.5%
Costs	19.5%	67.4%	8.3%	2.3%	1.1%	1.1%	0.4%
Exports	3.2%	11.9%	26.5%	7.2%	5.0%	44.7%	1.4%
Headcount	1.6%	20.2%	47.0%	19.3%	9.5%	1.6%	0.7%
Revenue	5.0%	36.9%	23.2%	25.9%	6.8%	1.4%	0.5%
Wages	3.8%	48.6%	34.1%	6.7%	4.7%	1.6%	0.5%

Economic Monitoring: trends

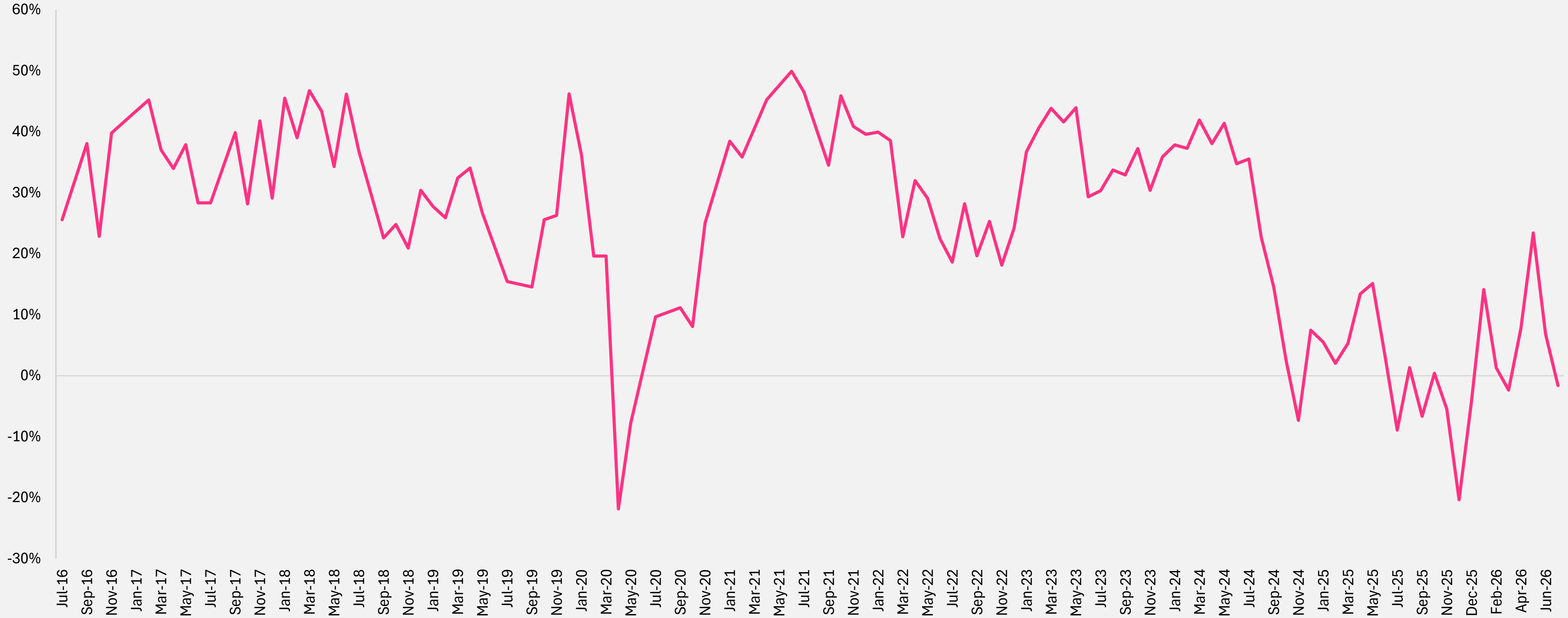
Business confidence remains subdued as cost pressures intensify



How optimistic are you about the wider UK economy over the next 12 months?
(5-point scale from very optimistic to very pessimistic, net positive %. Latest reading: July 2026)

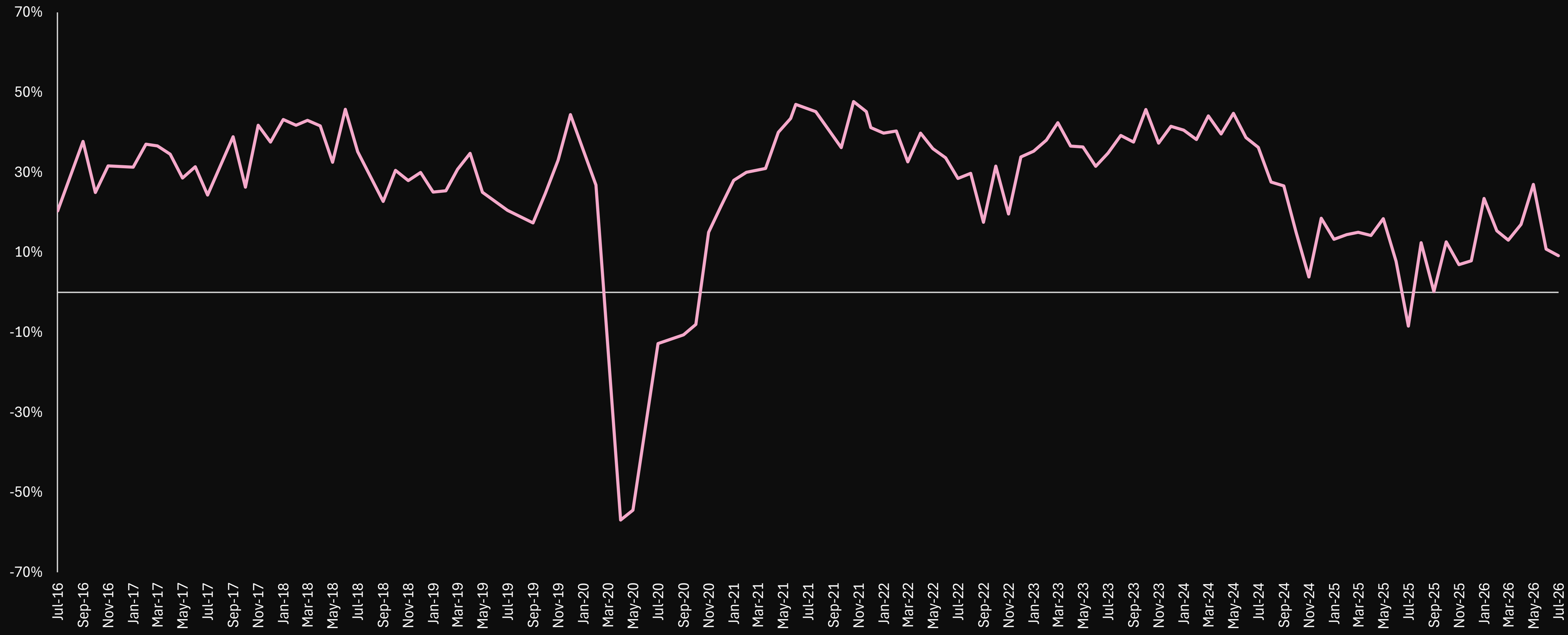
Business leader confidence in their own organisations also fell, to -2 in July from +7.

How optimistic are you about your own organisation over the next 12 months?
5-point scale from very optimistic to very pessimistic, net optimistic % Source: IoD monthly Policy Voice surveys



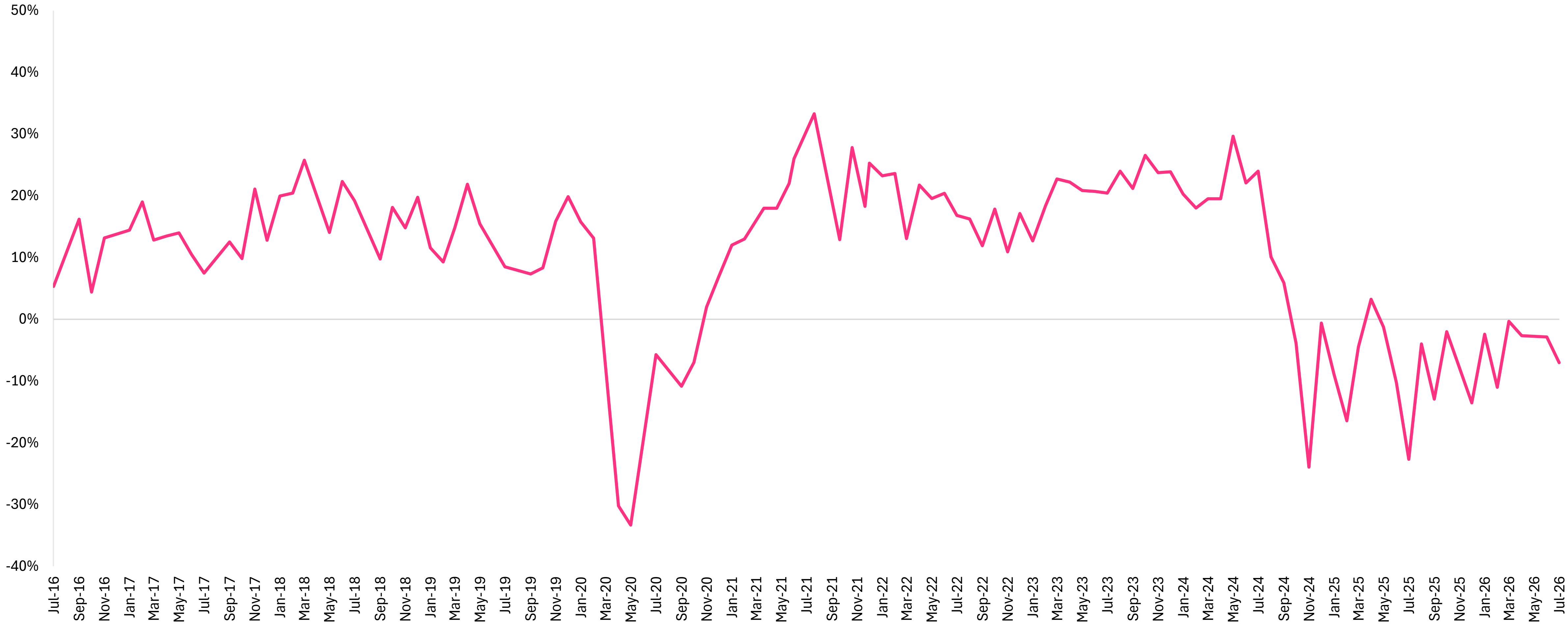
Revenue expectations fell to +9 from +11 – the lowest reading in 2026

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: REVENUE.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys



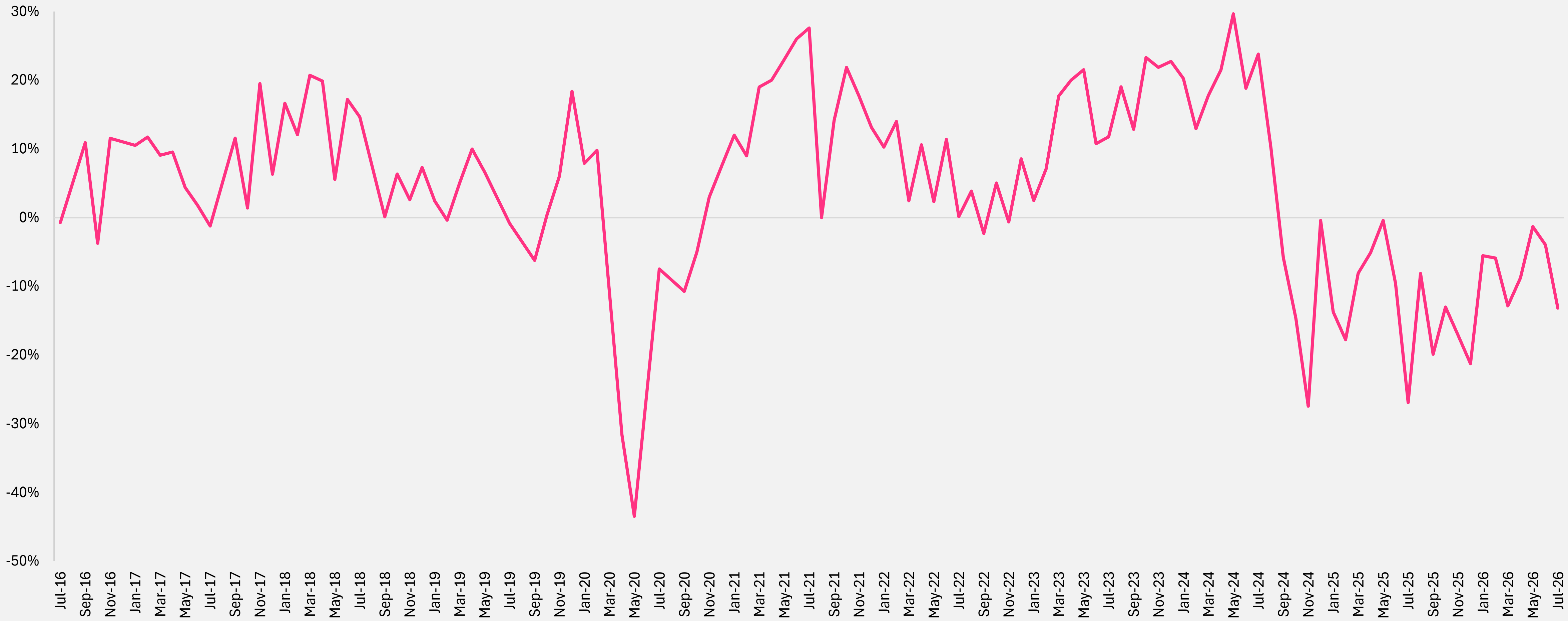
Headcount expectations fell to -7 from -3

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: HEADCOUNT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys



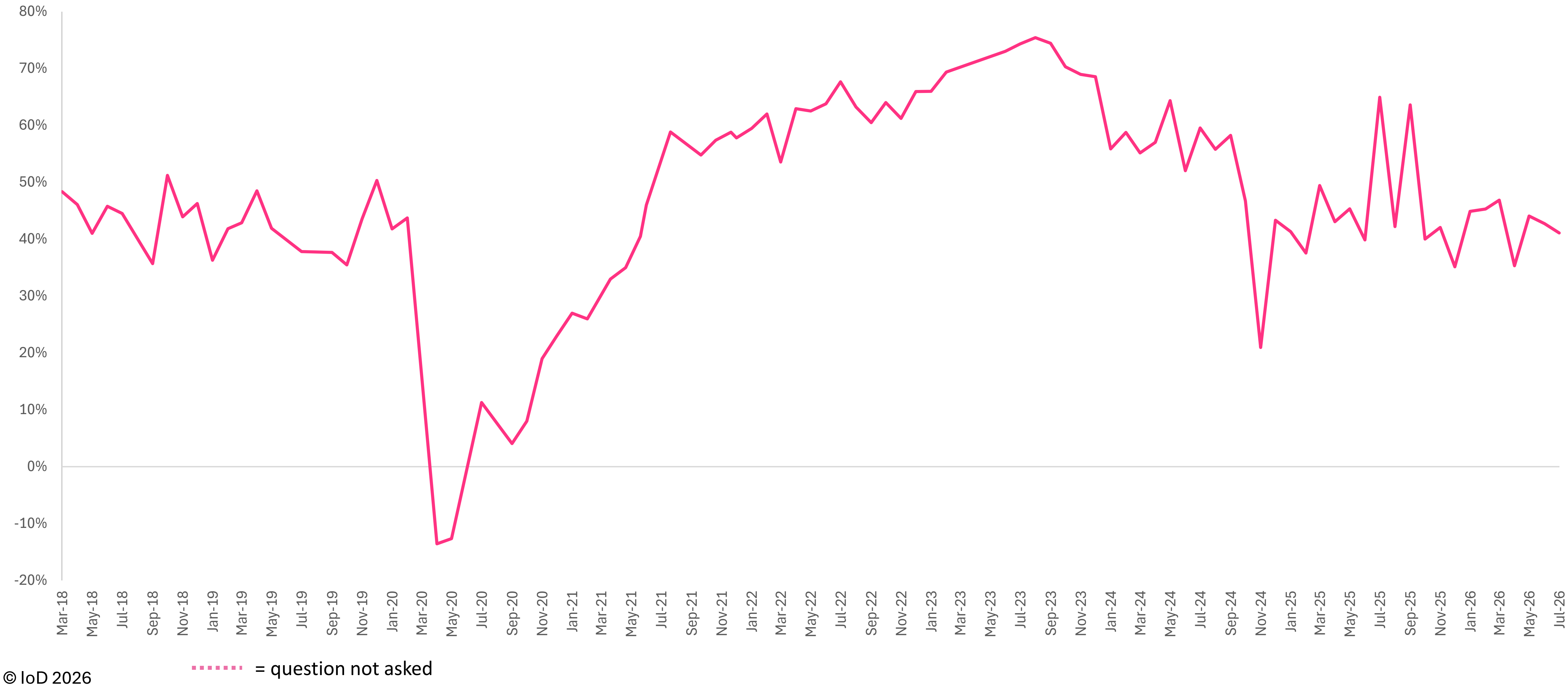
Investment intentions fell to -13 from -4

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: INVESTMENT.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys



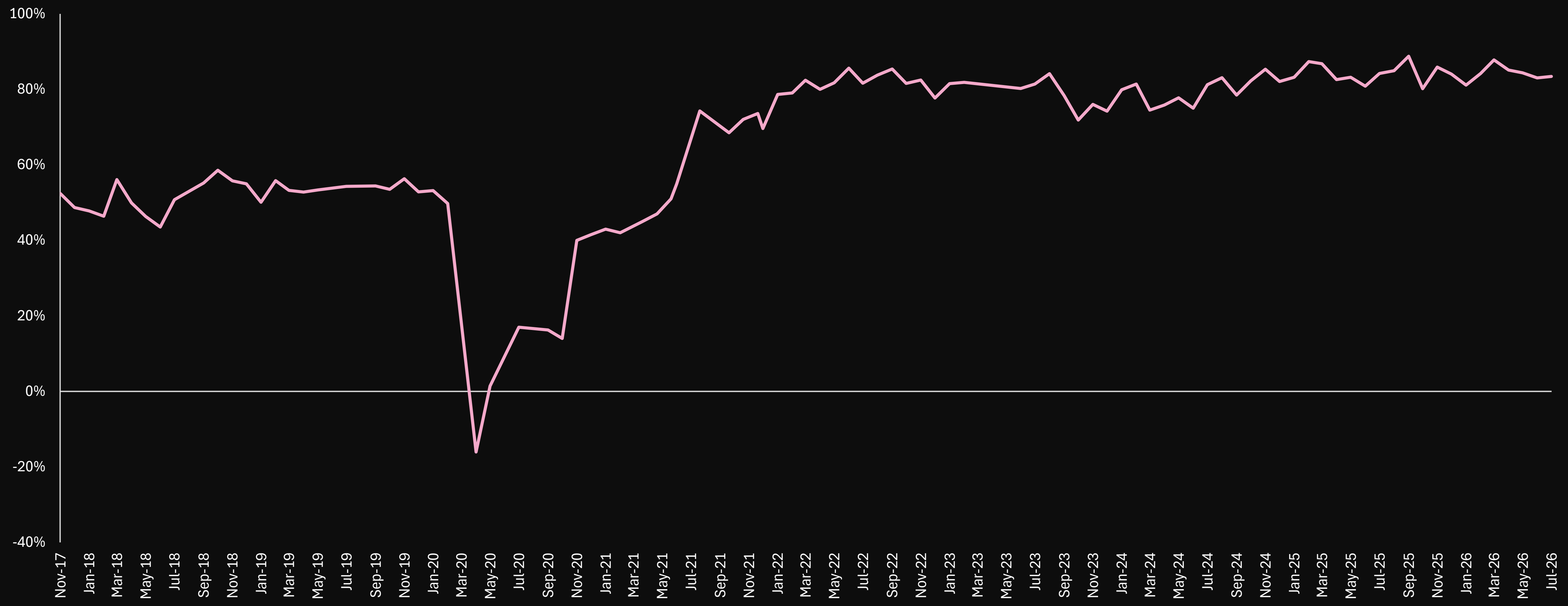
Wage expectations fell to +41 from +43

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: WAGES.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys



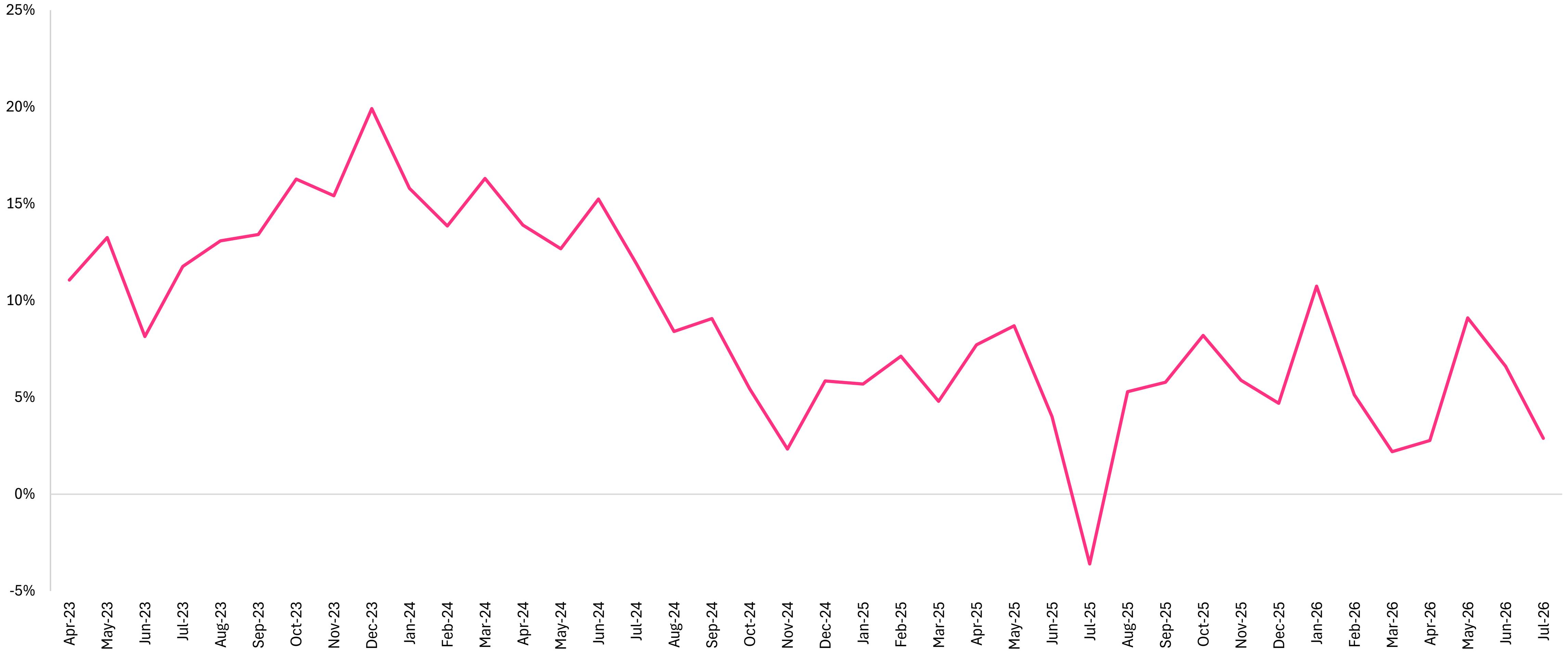
Cost expectations remained unchanged at +83.

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: COSTS.
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys



Export expectations fell to +3 from +7

Comparing the next 12 months with the last 12 months, what do you believe the outlook for your organisation will be in terms of: EXPORTS
Net positive % (% higher minus % lower) Source: IoD monthly Policy Voice surveys. Question first asked in April 2023.



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To promote the study, research and development of the law and practice of Corporate Governance, and to publish, disseminate or otherwise make available the useful results of such study or research.

To represent the interests of members and of the business community to government and in the public arena, and to encourage and foster a climate favourable to entrepreneurial activity and wealth creation.

To advance the interests of members of the Institute, and to provide facilities, services and benefits for them.